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2/20/07
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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 01/01/06 To (mo./yr.) 12/31/06
2. DOGM File Number (Mine No): 5530071
3. Mine Name: Windy 3
4. Mineral(s) Mined (or permitted to mine): Picture Stone
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
____ 1/4, ____ 1/4, SW 1/4, Section 13, Township 41S, Range 18W
____ 1/4, ____ 1/4, ____ 1/4, Section _____, Township _____, Range _____
____ 1/4, ____ 1/4, ____ 1/4, Section _____, Township _____, Range _____
7. Name of Operator or Company: Color Country Rock, LLC
8. Permanent Street Address: 115 South Main
City, State, Zip: Vero, UT 84782
Phone: (435) 574-2760 Fax: (435) 574-2320 E-mail: lhafer@midwaygold.com
9. Company Representative (or designated operator):
Name: Preston L. Hafer
Title: Co-Owner
Business Address: 115 South Main
City, State, Zip: Vero, UT 84782
Phone: (435) 574-2760 Fax: (435) 574-2320 E-mail: lhafer@midwaygold.com
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____

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DIV. OF OIL, GAS & MINING

3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. 40 tons of waste removed and smoothed out adjacent to work area, 40 tons of picture stone removed
4. Briefly describe the type of work performed, during the past year. Waste rock smoothed out to increase working space, 40 tons of picture stone removed
5. How much **new or additional acreage** was disturbed during the past year? 0.5
6. How much acreage was **reclaimed** during the past year? 0
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release).
None
8. What is the **total** disturbed acreage of entire project at years end? 3.5
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Additional rock will be mined and approx 40 acres of disturbed area will be reclaimed
10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2

1. **Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.**

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Preston L. Huffer
 Title of Operator: Co-Owner
 Signature of Operator: [Signature]
 Date: 01/27/07